

A custody account holder's balanced view on what has transpired with the Celsius Network and the best steps forward for the Celsius community in order to create financial wholeness of account holders.

7-22-22

To the Honorable Judge Glenn:

I am writing you as a Celsius depositor with his funds (Bitcoin) locked in a custody account. I am also a CEL token holder. Throughout the last several weeks I have been heavily engaged in community discussions online and via phone with other prominent (vocal) members of the Celsius community who are trying their very best to gauge depositor sentiment and provide updates to those who feel utterly defeated and hopeless. Although a large portion of my personal wealth is tied up in Celsius, I am fortunate that I have a roof over my head and can continue living my life normally. Many customers cannot, and this is the crux behind my letter to you.

These online platforms of communication between "Celsians" (depositors/account holders) include Discord, Reddit, Telegram and Twitter. As you well know the truth is never black or white, rather a shade of gray. I personally believe a combination of factors ultimately led to the insolvency and demise of the Celsius Network as we know it. These factors included a market downturn, a flurry of negative press which encouraged a bank run on Celsius, and gross mismanagement of user funds and incompetent business operations. Again, these are my own opinions and do not represent the community as a whole.

I have never met or spoken to Mr. Mashinsky, but I do not get the sense he is a bad man. I also do not believe he set out to intentionally defraud investors. I would surmise he does not sleep well at night seeing his company in its current state and the multiple consequences at hand. A common tragedy seen recently within the crypto/tech sector, I believe Celsius as a company grew too fast, overpromised, and ultimately overleveraged themselves. They got big, became a bit too cocky, started making risky decisions and engaged in potentially illegal actions (i.e. co-mingling of funds and unsecured loans, etc.) and then all shit hit the fan when there was a bank run. It's not rocket science and this type of situation is common amongst multiple entities declaring bankruptcy,

Mind you, Celsius is not the only CeFi exchange or crypto company to experience illiquidity/insolvency over the last few months. I'm sure you've done your homework and have been paying attention to the news. Bankruptcy's, liquidations, frozen withdrawals, and exaggerated promises (or lies) from CEO's have come to light.

With that said, one positive and incredible thing Mr. Mashinsky helped create was a loyal, intelligent, engaged and forward thinking community and I believe this is the **greatest** asset Celsius has and will ever have. Celsians are like Spartans. Ready to fight until the very end. Account holders are honest, intrigued, empathetic and genuinely supportive of the crypto

industry. In fact, I can think of several members who I would entrust the future of Celsius to over Mr. Mashinsky. This is not meant to be a dig at Mr. Mashinsky, rather it a testament to the idea he had and culture he helped create.

With all this said, I would like to make a list of concerns and issues I hope you will take into consideration. I am well aware Celsius is represented by competent counsel from Kirkland & Ellis- with Mr. Nash hailing from my hometown. In my opinion Celsius is trying to kill 2 birds with one stone at this time. 1. Protect certain individuals from future civil/criminal litigation. 2. Try and keep the company within the control of Mr. Mashinsky and Co. I am very aware of the restructuring process as a close friend of mine is at a competing law firm based in Chicago who is perhaps the most competent attorney in this particular field I can think of.

We are entering unchartered territory and I am hopeful over the next 1-2 years the SEC will do its part in working with the crypto sector to establish concrete rules and regulations which will hopefully prevent these episodes from taking place in the future. During 2007-2008 many banks who were “too big to fail” crashed, and they had the luxury of bailouts from the Federal Government. We do not have that luxury unfortunately.

With sincere gratitude I ask you to consider the following:

1. Why are custody holders being prevented from withdrawing their funds if a) they only make up 4% of the balance sheet and b) Per terms and conditions those funds are not securities and are the explicit property of the account holders (not Celsius) per terms and conditions? In my mind this is ridiculous even if Celsius illegally co-mingled funds.
2. I would ask that you seriously consider terminating the requested salaries and expenditures Celsius has asked the court for. At this time they could **easily** be running on a skeleton crew in my opinion, and they are simply blowing through more customer funds in their own best interests. This must be regulated and accounted for as soon as possible. Customers are paying for all of this and it is not fair.
3. I ask for the immediate removal of Mr. Mashinsky as CEO of Celsius as I believe his intentions are no longer aligned with the account holders. He has been compromised. If, however in return there is a possibility that by stepping down as CEO and forfeiting his position with Celsius, Mr. Mashinsky would be immune to any future civil/criminal litigation I feel this would benefit all parties immensely. I am unsure if this is a possibility but I feel it would be a great motivator. Mr. Mashinsky is a very wealthy self-made individual and will be fine. Ego and pride heal with time.
4. I am requesting the **immediate** selection and presence of a Celsius community committee not simply based on monetary holdings, but a sliding scale of depositors, stakeholders and shareholders. This to me is perhaps the most important request I am making in this letter. I have 1-2 people in mind I trust implicitly to be impartial and put the community first if your honor would like my input.
5. I ask you to consider the fact there also could be bad actors on this committee who have interests in other prominent Crypto exchanges and are seeking an unhostile, hostile

takeover so to speak. These may or may not be some of the biggest creditors on the committee in terms of debt owed.

6. I ask that any future payouts to account holders not be made in FIAT, rather the particular crypto they hold. Anything less would be "criminal."
7. I am aware that in Chapter 11 a debtor has 120 to propose a plan. I ask if possible you reduce this timeframe. 120 days is extremely gratuitous given the timeline of when Celsius froze withdrawals. Voyager was able to come up with recovery plan in less than 1 week. I fear giving Celsius 4 months of leeway will only serve as a means for them to cover tracks and figure out an exit strategy than will benefit C-Suite individuals.
8. I believe there are also entities in traditional finance who would love to see a transition to Chapter 7 and a liquidation of assets in order to purchase these assets at a discount. I beg you not to entertain this no matter how enticing the proposal, if there is one.
9. Please be aware as with any financial entity there are politics and bureaucracy heavily at play here. From the Stakeholders and Shareholders down to depositors, creditors and the debtor. The latter 2 usually have sharper angles.
10. Again, please allow the community to have a balanced voice in these proceedings.

My sincere apologies for any misspellings or grammatical errors as I typed this in a condensed amount of time.

I thank you deeply for your consideration of my letter, and the many letters that have, and will be coming in over the next couple weeks.

With sincere gratitude,

Jon Dimetros



"Live out your life in truth and justice, tolerant of those who are neither true or just."

-M. Aurelius